

**MINUTES OF THE  
WORKFORCE SERVICES AND COMMUNITY  
AND ECONOMIC DEVELOPMENT INTERIM COMMITTEE**  
Wednesday, June 15, 2011 – 2:00 p.m. – Room 20 House Building

**Members Present:**

Sen. Stuart C. Reid, Senate Chair  
Rep. Jim Bird, House Chair  
Sen. Karen W. Morgan  
Sen. Aaron Osmond  
Sen. Jerry W. Stevenson  
Rep. Johnny Anderson  
Rep. Keith Grover  
Rep. David Litvack  
Rep. Jeremy A. Peterson  
Rep. Dixon M. Pitcher  
Rep. Marie H. Poulson  
Rep. Brad R. Wilson

**Members Absent:**

Sen. Patricia W. Jones  
Rep. Gregory H. Hughes

**Staff Present:**

Mr. Benjamin N. Christensen, Policy Analyst  
Mr. Peter Asplund, Associate General Counsel  
Ms. Debra Hale, Legislative Secretary

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Committee Business**

Chair Bird called the meeting to order at 2:19 p.m. Sen. Jones was excused from the meeting.

**MOTION:** Rep. Litvak moved to approve the minutes of the May 18, 2011 meeting. The motion passed unanimously. Rep. Grover was absent for the vote.

**2. Unemployment Insurance Fund Issues**

Mr. Bill Starks, Director, Unemployment Insurance, Utah Department of Workforce Services (DWS), distributed a copy and presented an overview of the program, "Utah Department of Workforce Services Unemployment Insurance," describing the state's unemployment insurance fund issues. He outlined laws supporting unemployment insurance and how it works. He explained trends for unemployment insurance benefits and Federal Emergency Unemployment Compensation (EUC). Mr. Starks then described the Unemployment Insurance (UI) Trust Fund, projects for maintaining its solvency, and factors impacting Utah's trust fund. He explained unemployment insurance tax rates and contribution rates of employers. He described DWS initiatives to help maintain the solvency of the UI Trust Fund.

Mr. Starks also distributed and reviewed Department of Workforce Services and Economic Development Interim Committee Briefs for June 15, 2011: "Amendments to Maximum Unemployment Insurance (UI) Contribution Rates," "Proposed Amendments Changing Maximum Rate of 7% Plus Social Cost Rate," "Amendments to Centralized New Hire Registry Act," "Proposed Amendment to Centralized New Hire Registry Act," "Amendments to Employment Security Act Special Administrative Expense Account," and "Proposed Amendment to Special Administrative Expense Account."

**MOTION:** Rep. Pitcher moved to open a bill file to allow the Unemployment Insurance Division to work with staff to draft a bill to lower the unemployment insurance rate from nine percent to seven percent. The motion passed unanimously. Rep. Grover was absent for the vote.

### **3. Displaced Homemaker Program and Funding -- Sunset Review**

Mr. Christensen reviewed requirements in the Sunset Act as noted in the "Legislative Oversight and Sunset Act (Summary of Key Provisions)," which was previously mailed to the Committee. He also reviewed options of whether or not to allow the Displaced Homemaker Program and its funding source to sunset.

Ms. Karla Aguirre, Associate Director, Workforce Development Division, Policy and Program, DWS, distributed and reviewed DWS's handout, "Utah Displaced Homemaker Program," describing the program's purposes, funding, population served, and available services. Because the Displaced Homemaker Program is a part of DWS, DWS can leverage its funding with displaced homemakers. Ms. Aguirre then reviewed the handout, "Utah Displaced Homemakers, Customers Served, Collection History." Ms. Aguirre also clarified that this program is not gender specific. She recommended that the program be reauthorized for another 10 years.

Ms. Karen Silver, Advocate, Salt Lake Community Action Program, addressed the Committee in support of extending the Displaced Homemaker Program and broadening the eligibility requirements. She stated that displaced homemakers are in a unique position, being ineligible for unemployment insurance and cash assistance once their children have grown. She pointed out that it is harder for displaced homemakers to compete with the regular displaced worker category for the Workforce Investment Act (WIA) training funds. Though eligible for department workshops, displaced homemakers sometimes require more coaching than what is offered.

**MOTION:** Chair Reid moved to extend the sunset on the Displaced Homemaker Program to July 1, 2017. The motion failed, with Sen. Morgan, Sen. Osmond, Sen. Stevenson, Rep. Peterson, Rep. Pitcher, and Rep. Wilson voting in opposition.

### **4. Child Care Competition -- Public vs. Private Providers**

Rep. Johnny Anderson distributed the handout, "Utah Regulated Child Care Statistics," from the Bureau of Child Development, Utah Department of Health, which reviewed the history of licensed child-care facilities in the state. Rep. Anderson explained that the private market for child care in Utah has remained relatively flat during a time of increasing population in the state, and that this is likely the result of the competitive disadvantages that private, licensed child-care facilities face vs. public and non-profit programs that provide child care, including: a) payment of property and income taxes; b) regulation and related costs; c) barriers to marketing at schools; and d) unsubsidized up-front and ongoing costs.

Rep. Anderson stated that there is no need for full-time, fee-based, operating child-care programs run at or near public schools, because they are simply revenue generators that unfairly compete with the private sector. Additionally, even public and non-profit programs that are not fee-based, such as Title 1 programs,

and some programs that provide assistance to low-income households, unfairly compete with private child-care facilities.

Mr. Patrick Marino, President, Utah Private Childcare Association, and Owner, Little Scholars Child Development Centers, opined that there is an assault on the private sector by public sector partners as a result of unfair competition.

Ms. Alda Jones, Director, Children's Center, stated that child-care issues are complex and have a far-reaching and long-term impact economically and socially. She expressed that many child-care providers are "babysitters," unregulated and non-taxpaying, and that decisions need to be made concerning child care with long-term, targeted plans. Ms. Jones requested the Legislature: a) become familiar with the complexities of the issues; b) discover what needs to be done to ensure Utah is eligible for and receives every available federal dollar earmarked for child care; and c) explore and fund options for gathering solid, comprehensive data on both regulated and unregulated child care.

Mr. Larry Jensen, Owner, Newcastle Preschool, Draper, expressed his concerns of unfair competition between private and public preschools, with public preschools having marketing advantages over private preschools. He said public schools are running and promoting preschool programs, even though the public school mandate does not include preschool programs, and that his primary business competitor is a charter elementary school with a commercial preschool business.

Ms. Janis Dubno, Senior Policy Analyst for Early Childhood, Voices for Utah Children, distributed and reviewed the handout, "Change in State Rules is Leading Cause of Decrease in Licensed Childcare Providers," which illustrated the trends in licensed child care programs by type. Ms. Dubno recommended that the Legislature review the unlicensed private market and the children attending who are currently unaccounted for.

Ms. Pamela Atkinson, Community Advocate, informed the Committee that children, aged six years and older, whose parents are employed from 7:00 a.m. to 7:00 p.m., are kept off the streets by being able to take advantage of after-hour child care in public schools, receive assistance with homework, social interaction, and activities, and make academic progress.

Mr. Mike Zody, Chair, Public Policy Committee, United Way of Salt Lake, focused on a collaborative approach entitled, "Collective Impact," which promotes children's developmental learning and community and parental involvement. Mr. Zody stated that United Way-supported community learning centers, in partnership with multiple other non-profit programs, provide safety and supervision and help to level the playing field for low-income children.

Ms. Caroline Kueneman, Youth Advocate, distributed and reviewed Utah Afterschool Network's, "Benefits of School-Based Afterschool Programs." She highlighted the handout's review of after-school programs and cost benefits of school-based programs.

Ms. Brenda VanGarder, Director, Preschool Services, Granite School District, expressed that 'license-exempt' does not mean unregulated, and that public schools are both federally and state mandated to educate all children, ages 3-21 years, of all abilities. Ms. VanGarder offered two reasons for parents

choosing Granite School District preschool services: a) the convenient location; and b) the direct tie to core curriculum. She also mentioned that Granite School District's preschool program is not child care. Preschool graduates are ready for Kindergarten and to progress in the district's core curriculum.

Mr. Rich West, CEO, YMCA, pointed out that the YMCA provides services in youth development, health and wellness, and social responsibility for all people. He stated that all public children have access to YMCA's preschool program for a competitive fee, although the majority of children in YMCA's after-school programs are eligible to receive financial assistance and are unable to afford other opportunities. Mr. West also stated that the YMCA programs and operations, though license-exempt, are regulated under public school district oversight and regulations.

## **5. Other Items /Adjourn**

**MOTION:** Rep. Anderson moved to adjourn the meeting. The motion passed unanimously. Sen. Stevenson, Rep. Grover, Rep. Litvak, and Rep. Wilson were absent for the vote.

Chair Bird adjourned the meeting at 4:46 p.m.